

06-04-2002



ACCO

102111079

JNMENT

TO: THE COMMISSIONER OF PATENTS AND TRADEMARKS  
BOX ASSIGNMENTS  
WASHINGTON, DC 20231

Re: Trademark Registration No.1,371,192

1. The name of the party conveying the interest is:

Energy Logic, LLC **5-29-02** (Limited liability company)  
240 Great Circle Road  
Suite 344  
Nashville, TN 37228

2. The name and address of the party receiving the interest is:

RobertSun Company f/k/a Black Gold Corporation (Corporation)  
1718 Linden Avenue  
Nashville, TN 37212

3. The nature of conveyance is: Security Agreement.

4. Each trademark number against which the Trademark Assignment is to be filed is:

Trademark Registration No. 1,371,192

5. The name and address of the party to whom correspondence concerning the request to record the document should be mailed is:

Sherrard & Roe, PLC  
424 Church Street, Suite 2000  
Nashville, TN 37219  
Attn: Letitia G. Baldwin

6. There is one (1) registration identified in this cover sheet and the fee for recording the Trademark Assignment is \$40.00, and such fee is enclosed.

7. The Trademark Assignment that gave rise to the interest being granted in the above-referenced trademarks was executed by Energy Logic, LLC on December 13, 2001.

8. The assignee of the trademark is domiciled in the United States.

OFFICE OF THE CLERK OF THE U.S. PATENT AND TRADEMARK OFFICE  
MAY 29 PM 3:16  
FINANCE SECTION

06/04/2002 JJALLAH2 00000001 1371192

01 FC:481

40.00 00

9. To the best of the undersigned's knowledge and belief, the information contained in this cover sheet is true and correct and any copy submitted is a true copy of the original document.

RobertSun Company f/k/a Black Gold Corporation

By: Wayne Robertson  
Name: Wayne Robertson  
Title: President

STATE OF TENNESSEE     )  
  )  
COUNTY OF DAVIDSON    )

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Wayne Robertson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of RobertSun Company f/k/a Black Gold Corporation, the within named bargainor, a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal at office in Nashville, Tennessee, this 11 day of February, 2002.

Aori McPherson  
Notary Public

My Commission Expires:

5-26-02

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made and entered into as of this 13th day of December, 2001, by and between **ENERGY LOGIC, LLC**, a Tennessee limited liability company (the "Debtor"), and **BLACK GOLD CORPORATION**, a Tennessee corporation (the "Secured Party").

### WITNESSETH:

WHEREAS, on the date hereof, Debtor, Robert F. Stevens, the majority member of Debtor, Secured Party, and Wayne Robertson, a majority shareholder of Secured Party (the "Shareholder"), are entering into that certain Asset Purchase and Sale Agreement dated of even date herewith (the "Purchase Agreement") pursuant to which Debtor is purchasing the business and substantially all of the assets of the Secured Party used in connection with the manufacture, sale and distribution of waste-oil heating units (the "Business");

WHEREAS, on the date hereof, Debtor is receiving financing for the purchase of the Business from Pinnacle Bank (the "Senior Lender") pursuant to loan documents executed the date hereof (the "Senior Loan Documents");

WHEREAS, as partial payment for the assets purchased pursuant to the Purchase Agreement, Debtor shall pay and deliver to Secured Party that certain promissory note in the original principal amount of One Million Two Hundred Seventy-Seven Thousand Six Hundred Ninety and 11/100 Dollars (\$1,277,690.11) dated as of the date hereof and executed by Debtor in favor of Secured Party (the "Buyer's Note") and that certain promissory note in an original principal amount to be determined as soon as possible after December 31, 2001, and to be executed in favor of the Secured Party as soon as possible after December 31, 2001 (the "Incentive Payment Note") (the Buyer's Note and the Incentive Payment Note may be referred to collectively herein as the "Notes"); and

WHEREAS, Debtor's obligations to Secured Party under the Notes are to be secured by a second priority security interest in the assets of Debtor purchased pursuant to the Purchase Agreement and are to be personally guaranteed by Robert F. Stevens (the "Guarantor").

NOW, THEREFORE, for and in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**Section 1. Security Interest.** As security for the punctual and faithful performance of Debtor's obligations to Secured Party, including but not limited to its obligation to pay, duly and punctually, the amounts owed to Secured Party under the Notes (the "Indebtedness"), Debtor does hereby mortgage, pledge, assign, transfer, set over, convey and deliver to Secured Party and grant to Secured Party a continuing second priority lien upon and security interest in the following described collateral, whether now owned or existing or hereafter created or acquired (collectively the "Collateral"):

(a) **Fixed Assets.** All of Debtor's equipment, machinery, furniture, fixtures, motor vehicles, office equipment, leasehold improvements and other fixed assets used in connection with the Business (collectively, the "Fixed Assets");

(b) Inventory. All of Debtor's inventory including, without limitation, its inventory of raw materials, work in process, finished goods, supplies and other property held for consumption in the Business (collectively, the "Inventory");

(c) Accounts Receivable. All of Debtor's accounts receivable from the Business.

(d) Executory Contracts. All of the Debtor's interest in and under all distribution contracts, sales contracts, forward commitments, unfilled customer orders, blanket purchase orders, leases, employment contracts, licenses, royalty agreements and other contracts, whether written or oral relating to the Business (collectively, the "Contracts");

(e) Intangible Assets. All of Debtor's trademarks, trade names, patents, copyrights, brand marks, brand names, service marks, customer lists, designs, drawings, inventions, discoveries, proprietary rights, trade secrets, catalogs, telephone numbers, goodwill, similar items, and all other general intangibles used in connection with the Business, including, but not limited to, the name "Black Gold" (collectively, the "Intangible Assets");

(f) Business Records. All of Debtor's interest in any business records pertaining to the Business (the "Business Records"); and

(g) Proceeds. Any and all cash or non-cash proceeds of any of the foregoing, including insurance proceeds, and all products thereof.

**Section 2. Debtor's General Warranties and Covenants to Secured Party.** Debtor hereby warrants, covenants and agrees that until the Indebtedness secured hereby shall have been paid in full or the Collateral is released:

(a) Protection and Use of Collateral. Debtor will keep the Collateral free from any adverse lien, security interest, or encumbrance (other than as required by the Senior Lender to secure its first priority security interest), and in good order and repair and will not waste or destroy the Collateral or any part thereof; Debtor will not use the Collateral in violation of any regulations, statutes or ordinances or of any judgments, citations, decrees or orders of any judicial or administrative authority.

(b) Sale or Impairment of Collateral. Debtor will not dispose of any of the Collateral for less than reasonable fair market value, do any act which would materially diminish the value of the Collateral, or in any other manner impair any of its assets so as to substantially diminish the value of the Collateral. Debtor shall maintain and preserve the Collateral in good repair, working order and condition, and from time to time make, or cause to be made, all material needful and proper repairs, renewals, replacements, betterments and improvements thereto so that the business carried on in connection therewith may be conducted properly and in accordance with standards generally accepted in businesses of a similar type and size at all times.

(c) Indemnification. Debtor shall indemnify and hold Secured Party harmless against all claims arising out of or in connection with Debtor's ownership or use of the Collateral.

(d) Tax Liens, Etc. Debtor agrees to pay all taxes or other liens taking priority over the security interest created in this Security Agreement and, should default be made in the payment of same, Debtor agrees to give Secured Party prompt notice of such default, and Secured

Party, at its option, may pay the same, which shall then become part of the Indebtedness secured hereby.

(e) Discharge Liens. Secured Party, in its sole and absolute discretion, without waiving or releasing any obligation, liability or duty of Debtor under this Agreement may, at any time or times hereafter, but shall be under no obligation to do so, pay, acquire and/or accept an assignment of any security interest, lien, encumbrance or claim asserted by a person against the Collateral. All sums paid by Secured Party in respect thereof and all costs, fees and expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto incurred by Secured Party on account thereof shall be payable by Debtor to Secured Party.

(f) Financial Statements. Until the Notes are paid in full, Debtor shall furnish to Secured Party, with reasonable promptness, such data and information, financial or otherwise, concerning Debtor as from time to time reasonably may be requested by Secured Party. In addition, Debtor shall furnish on or before May 1 each year copies of the federal income tax return filed for the preceding year of Debtor. In addition, on or before May 1 of every year there remains an outstanding balance on the Notes, Debtor shall furnish to Secured Party annual financial statements of Debtor for the preceding year. All financial statements shall be prepared in accordance with standard prudent accounting principles, consistently applied, and shall reflect the then net worth of the subject of such financial statements.

(g) Books and Records Inspection. Debtor will at all times keep accurate and complete records, and Secured Party, or any of its agents, shall have the right to call at Debtor's place or places of business at intervals to be determined by Secured Party with reasonable advance notice thereof (at least five (5) business days) and upon such notice, Debtor shall allow Secured Party to inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to any transactions between the parties hereto; provided all of such information shall be considered Debtor's Confidential Business Information, which Secured Party shall keep confidential pursuant to any confidentiality obligations of Secured Party and Shareholder to Debtor.

(h) Business Address Debtor is a Tennessee limited liability company with a true and correct address at 240 Great Circle Road, Nashville, Tennessee 37228. Debtor will give Secured Party prior written notice of any change in its address or any change in its legal name.

(i) Insurance. Debtor shall maintain such liability insurance, workers' compensation insurance, business interruption insurance and casualty insurance as may be required by law, customary and usual for prudent businesses in its industry or as may be reasonably required by Secured Party and shall insure and keep insured all Collateral and other properties in good and responsible insurance companies satisfactory to Secured Party. All hazard insurance covering Collateral shall be in amounts and shall contain co-insurance and deductible provisions reasonably approved by Secured Party, shall name and directly insure Secured Party as secured party and loss payee under a long-form standard loss payee clause reasonably acceptable to Secured Party, or its equivalent, and shall not be terminable except upon 30 days' written notice to Secured Party.

(j) Compliance; Hazardous Materials. Debtor shall strictly comply with all laws, regulations, ordinances and other legal requirements, specifically including, without limitation, ERISA, all securities laws and all laws relating to hazardous materials and the environment. Unless approved in writing by Secured Party, Debtor shall not engage in the storage, manufacture,

disposition, processing, handling, use or transportation of any hazardous or toxic materials outside the ordinary course of business, whether or not in compliance with applicable laws and regulations.

**Section 3. Negative Covenants of Debtor.** Debtor covenants and agrees that from the date hereof and until payment in full of the Indebtedness, the Debtor:

(a) **Debt.** Without the prior written consent of the Secured Party, shall not create or permit to exist any debt (other than the Indebtedness, the debt created under the Senior Loan Documents, trade payables, unsecured debt, and capitalized lease obligations) in excess of \$100,000 at any one time.

(b) **Liens.** Without the prior written consent of the Secured Party, shall not create or permit to exist any Liens on any of the Collateral except liens created by this Agreement, under the Senior Loan Documents and any lien that will be subordinate in priority of payment to the liens created by this Agreement.

(c) **Distributions.** Without the prior notice to Secured Party, shall not make any distributions to members or purchase, redeem or otherwise acquire any equity interests held by members of Debtor; provided, however, that nothing herein shall prevent Debtor from making distributions to its members at the end of each calendar year in an amount not less than the highest federal income tax rate applicable to a member on the profit allocated to the member for such fiscal year.

(d) **Loans and Other Investments.** Without the prior written consent of the Secured Party, shall not make or permit to exist any advances or loans to, or guarantee or become contingently liable for, directly or indirectly, or own, purchase or make any commitment to purchase any stock, bonds, notes, debentures or other securities of, or any interest in, or make any capital contributions to (all of which are sometimes collectively referred to herein as "Investments"), any individual or legal entity except for (a) purchases of direct obligations of the federal government, (b) deposits in commercial banks, (c) commercial paper of any U.S. corporation having the highest ratings then given by the Moody's Investors Services, Inc. or Standard & Poor's Corporation, (d), endorsement of negotiable instruments for collection in the ordinary course of business, (e) advances to employees for business travel and other expenses incurred in the ordinary course of business, (f) any extension of trade credit in the ordinary course of business and investments in customer accounts for inventory sold or services rendered in the ordinary course of business, (g) any investments in cash equivalents, (h) investments received in connection with the bankruptcy of suppliers and customers or received pursuant to a plan of reorganization, in each case, in settlement of delinquent obligations or disputes and (i) any guarantee of any real or personal property lease in the ordinary course of business.

(e) **Management.** Shall not permit any change of management that would result in the principal executive management functions of Debtor being vested in, and the responsibility of, anyone other than Robert F. Stevens.

**Section 4. Events of Default.** The term "Event of Default", "Default", "event of default" or "default" whenever used in this Security Agreement, shall mean any one or more of the following events or conditions:

(a) failure to make prompt and full payments of principal and interest on either of the Notes when due or the failure to pay any Indebtedness when it comes due after expiration of any applicable cure period;

(b) the unauthorized sale, transfer or disposition of any material portion of the Collateral other than in the ordinary course of business (without the prior written consent of Secured Party) or unauthorized encumbrance of any material portion of the Collateral;

(c) breach of any covenant, warranty, agreement or representation contained in this Security Agreement or the Notes;

(d) failure to perform or satisfy any of the Indebtedness and such failure shall continue beyond any applicable cure period;

(e) a default beyond any applicable cure period occurs under the Senior Loan Documents;

(f) an Event of Default occurs under the Buyer's Note or the Incentive Compensation Note;

(g) Debtor shall be dissolved or shall merge with or into another entity (whether or not Debtor is the surviving entity) without the prior written consent of Secured Party; or

(h) Guarantor shall die.

**Section 5. Remedy upon a Default.** If any default or Event of Default shall occur, then or at any time thereafter, Secured Party may declare all Indebtedness to be due and payable, without notice, protest, presentment, or demand, all of which are expressly waived by Debtor. In addition, Secured Party, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Debtor or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give an option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any office of Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or on future delivery without assumption of any credit risk. Secured Party shall have the right upon any such public sale or sales, to the extent permitted by law, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in grantor, which right or equity is hereby waived or released. Debtor further agrees, upon Secured Party's request, to assemble the Collateral and make it available to Secured Party at places which Secured Party shall reasonably select, whether at Debtor's premises or elsewhere. To the extent permitted by applicable law, Debtor waives all claims, damages and demands it may acquire against Secured Party arising out of the exercise by Secured Party of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

**Section 6. Survival of Representations and Warranties.** All covenants, agreements, representations and warranties made herein and in any certificates delivered pursuant hereto shall survive and shall continue in full force and effect so long as Debtor's Indebtedness to Secured Party are outstanding and unpaid.

**Section 7. Further Assurances.** Upon the request of Secured Party, Debtor shall duly execute and deliver, or cause to be duly executed and delivered, at the cost and expense of Debtor, such UCC-1 Financing Statements, and other instruments as may be necessary or proper, in the reasonable judgment of Secured Party, to carry out the provisions and purposes of this Security Agreement and do all things necessary to preserve the security interest of Secured Party in the Collateral under this Security Agreement. Debtor shall reimburse Secured Party for the actual amount of filing fees incurred in connection with filing such UCC-1 Financing Statements or other instruments as may be necessary or proper in the reasonable judgment of Secured Party.

**Section 8. Waiver; Remedies Cumulative.** The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay of the Secured Party in exercising any right, power or privilege under this Agreement or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege.

**Section 9. Attorney-in-Fact.** Debtor hereby authorizes Secured Party, at Debtor's expense, to file such financing statement or statements relating to the Collateral without Debtor's signature thereon as Secured Party at its option may deem appropriate, and appoints Secured Party as Debtor's attorney-in-fact (without requiring Secured Party) to execute any such financing statement or statements in Debtor's name and to perform all other acts which Secured Party deems appropriate to perfect and continue the security interest granted hereunder and to protect, preserve and realize upon the Collateral.

**Section 10. Termination.** This Security Agreement shall terminate when the Indebtedness secured hereby and all Indebtedness of Debtor to Secured Party have been fully paid and performed, at which time Secured Party shall execute and deliver to Debtor all necessary termination statements as reasonably requested by Debtor.

**Section 11. Notices.** All notices, demands, certificates, requests, consents and other communications hereunder shall be given in writing as provided in the Purchase Agreement.

**Section 12. Tennessee Law; Consent to Jurisdiction.** This Security Agreement is being delivered and is intended to be performed in the State of Tennessee and shall be construed in accordance and enforced in accordance with and governed by the laws of such state. The parties to this Agreement agree that any legal suit, action or proceeding arising out of or relating in any way to this Security Agreement may be instituted exclusively in a court in Davidson County, Tennessee and irrevocably submit to the exclusive jurisdiction of a court in Davidson County, Tennessee in any such suit, action or proceeding.

**Section 13. Binding Agreement; Successors and Assigns.** This Security Agreement shall be binding upon and inure to the benefit of the successors, representatives and permitted assigns of the parties hereto. No rights or obligations of Debtor may be assigned without the express written consent of Secured Party. The rights of Secured Party hereunder may be assigned without the consent of Debtor.



**Section 14. Attorney Fees and Costs.** Debtor shall be liable to Secured Party for all sums paid or incurred by Secured Party in connection with the enforcement of this Agreement, the Notes, or the Collateral, whether paid or incurred by reason of any default hereunder, or in any of the documents referred to herein, or otherwise, and such shall include, but shall not be limited to, the payment of all attorney fees so paid or incurred.

**Section 15. Severability.** In case any one or more of the provisions contained in this Security Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**Section 16. Captions.** The captions of this Security Agreement are for the purpose of reference only, and shall not limit or otherwise affect any of the terms hereof.

**Section 17. Entire Agreement; Amendment.** This Agreement contains the entire Security Agreement between the Secured Party and the Debtor and supersedes all prior agreements and understandings relating to the subject matter hereof. It may not be changed or terminated orally, but may only be changed by an agreement in writing signed by the party or parties against whom enforcement of any waiver, change, modification, extension, discharge or termination is sought.

**Section 18. Time of the Essence.** Time is of the essence with respect to this Agreement and all provisions and obligations hereof.

IN WITNESS WHEREOF, this Security Agreement has been executed and delivered as of the date first above written.

**DEBTOR:**

ENERGY LOGIC, LLC

By:   
Robert F. Stevens, Chief Manager and President

**SECURED PARTY:**

**BLACK GOLD CORPORATION**

By: Wayne Robertson  
Wayne Robertson, President